



Update 2020

This update provides information about Social Security taxes, benefits, and costs for 2020. By law, some numbers change automatically each year to keep up with changes in price and wage levels.

Information for people who are working

| Social Security and Medicare taxes | | |
|---|------------------------------------|------------------------------------|
| Social Security taxes | 2019 | 2020 |
| Employee/employer (each) | 6.2% on earnings up to \$132,900 | 6.2% on earnings up to \$137,700 |
| Self-employed *Can be offset by income tax provisions | 12.4%* on earnings up to \$132,900 | 12.4%* on earnings up to \$137,700 |
| Medicare taxes | 2019 | 2020 |
| Employee/employer (each) | 1.45% on all earnings | 1.45% on all earnings |
| Self-employed *Can be offset by income tax provisions | 2.9%* on all earnings | 2.9%* on all earnings |
| High-income earners also pay an additional 0.9 percent in Medicare taxes on earnings above certain amounts. Check with the Internal Revenue Service for more details. | | |
| Work credits | | |
| When you work, you earn credits toward Social Security benefits. The number of credits you need to be eligible for Social Security benefits depends on your age and the type of benefit for which you are applying. You can earn a maximum of four credits each year. Most people need 40 credits to qualify for retirement benefits. | | |
| | 2019 | 2020 |
| | \$1,360 earns one credit | \$1,410 earns one credit |

Information for people who receive Social Security benefits

| Earnings limits | | |
|--|--|--|
| Under federal law, people who are receiving Social Security benefits, and who have not reached full retirement age, are entitled to receive all of their benefits as long as their earnings are under the limits indicated below. For people born in 1943 through 1954, the full retirement age is 66. The full retirement age increases gradually each year until it reaches age 67 for people born in 1960 or later. | | |
| | 2019 | 2020 |
| At full retirement age or older | No limit on earnings | No limit on earnings |
| Under full retirement age | \$17,640 For every \$2 over the limit, \$1 is withheld from benefits. | \$18,240 For every \$2 over the limit, \$1 is withheld from benefits. |
| In the year you reach full retirement age | \$46,920 For every \$3 over the limit, \$1 is withheld from benefits until the month you reach full retirement age. | \$48,600 For every \$3 over the limit, \$1 is withheld from benefits until the month you reach full retirement age. |
| Disability beneficiaries' earnings limits: If you work while receiving disability benefits, you must tell us about your earnings no matter how little you earn. You may have unlimited earnings during a trial work period of up to nine months (not necessarily in a row) and still receive full benefits. Once you have completed your nine-month trial work period, we will determine if you are still entitled to disability benefits. You also may be eligible for other work incentives to help you make the transition back to work. | | |
| | 2019 | 2020 |
| Substantial Gainful Activity (non-blind) | \$1,220 per month | \$1,260 per month |
| Substantial Gainful Activity (blind) | \$2,040 per month | \$2,110 per month |
| Trial work period month | \$880 per month | \$910 per month |

Information for people who receive Supplemental Security Income (SSI)

| Monthly federal SSI payment (maximum) | | |
|--|-------------|-------------|
| | 2019 | 2020 |
| Individual | \$771 | \$783 |
| Couple | \$1,157 | \$1,175 |
| Monthly income limits | | |
| | 2019 | 2020 |
| Individual whose income is only from wages | \$1,627 | \$1,651 |
| Individual whose income is not from wages | \$791 | \$803 |
| Couple whose income is only from wages | \$2,399 | \$2,435 |
| Couple whose income is not from wages | \$1,177 | \$1,195 |

NOTE: If you have income, your monthly benefit generally will be lower than the maximum federal SSI payment. Remember, you must report all of your income to us. Some states add money to the federal SSI payment. If you live in one of these states, you may qualify for a higher payment. Your income can be greater than the limits indicated and you still may qualify.

Information for people on Medicare

| Most Medicare costs are increasing this year to keep up with the rise in health care costs. | | |
|---|--|----------------------|
| | 2019 | 2020 |
| Hospital Insurance (Part A) | | |
| For first 60 days in a hospital, patient pays | \$1,364 | \$1,408 |
| For 61st through 90th days in a hospital, patient pays | \$341 per day | \$352 per day |
| Beyond 90 days in a hospital, patient pays (for up to 60 more days) | \$682 per day | \$704 per day |
| For first 20 days in a skilled nursing facility, patient pays | \$0 | \$0 |
| For 21st through 100th days in a skilled nursing facility, patient pays | \$170.50 per day | \$176 per day |
| Part A Premium Buy-In: The amount of the premium you pay to buy Medicare Part A depends on the number of Social Security credits you have earned. If you have: | | |
| 40 credits | \$0 | \$0 |
| 30-39 credits | \$240 per month | \$252 per month |
| less than 30 credits | \$437 per month | \$458 per month |
| Medical Insurance (Part B) | | |
| | 2019 | 2020 |
| Premium | \$135.50 per month | \$144.60 per month** |
| Deductible | \$185 per year | \$198 per year |
| | After the patient has paid the deductible, Part B pays for 80 percent of covered services. | |

NOTE: If you get Medicare and your income is low, your state may pay your Medicare premiums and, in some cases, your deductibles and other out-of-pocket medical expenses. Contact your local medical assistance (Medicaid) agency, social services or welfare office for more information.

**Standard monthly premium is \$144.60. Some people with higher incomes pay higher premiums.



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